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FILE

27 November 1968

MEMORANDUM FOR THE RECORD

SUBJECT: Briefing of Procurement Division, O/Logistics-- 14 November 1968

25X1 1. Present were Messers. Meloon, Blake, [] -O/Logistics; 25X1
Messers. Bannerman, [] - O/DDS.

25X1 2. [] gave the briefing and presented the Procurement Com-
parative Statistics of FY 67 and FY 68. Procurement Division was busier in
FY 68 but the statistics are somewhat artificial due to a change in counting
contracts because of the decentralized procedures. TSD counts contracts in a
different way from Logistics.

3. June procurement problems remain with us and probably always will.
Logistics was able to meet the June demands in FY 68. As a result of contract
negotiations there was a real cost reduction of 2.7 million dollars in FY 68.
This can be compared to the cost of running the Division [] 25X1

4. There has been steady improvement in management programs of pro-
curement. The most noteworthy has been the time reduction in contract pay-
ments. Finance now pays invoices directly unless Logistics indicates the per-
formance is poor. This system applies to cost-type only contracts and manu-
facturers are paid in less than 30 days.

5. Mr. Bannerman urged Logistics to latch on to any surplus equipment
that we might anticipate using in Southeast Asia.

6. Attached are seven (7) charts covering the Procurement Comparative
Statistics of FY 67 and FY 68.

Orig - DD/S Subject w/atts
1 - DD/S Chrono

7 Atts



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